SASKATCHEWAN FOREST CENTRE

STATUS REPORT
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Saskatchewan
Industry and
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EXECUTIVE SUMMARY

The Saskatchewan Forest Centre (SFC) was created as part of a provincial growth strategy to support and further stimulate growth in the forest sector, deliver a range of new technologies, and enhance the province's forest management and research capacity.

Established in Prince Albert in late August 2001 as a partnership between the private and public sectors, the SFC was created to access the best in training, market research and private-sector involvement from across Saskatchewan and Canada. The centre's staff has been operating out of rented quarters in downtown Prince Albert since September 2001.

Following extensive consultations with the SFC board of directors, as well as with forest industry representatives and the local community, it was decided that a new, permanent facility to house the centre's staff and similar, forestry-related organizations could create the core of a vital hub of research and development to further support and expand the industry.

Saskatchewan Opportunities Corporation (SOCO) completed a feasibility study for a new, permanent building for the Saskatchewan Forest Centre, and Cabinet gave final approval to the SFC building project on December 18, 2002. Salvage and demolition work on the project began in February 2003, and construction of the new facility was slated for spring 2003.

In early May 2003, amid reports in the media and charges in the Saskatchewan Legislature that the project was premature and did not have the full support of the board of directors of the SFC, the forest industry and the community of Prince Albert, the Honourable Eric Cline, Minister of Saskatchewan Industry and Resources, asked for an updated status report on the project before proceeding further.

Of special interest was the level of support for the SFC building project within three key stakeholder areas:

- the Saskatchewan Forest Centre board of directors,
- the forest industry and Aboriginal stakeholder groups, and
- the community of Prince Albert, including city council and local business people.

Review Process

As Deputy Minister of Saskatchewan Industry and Resources, I was asked to review the SFC building project, assess the current level of support for the overall project, and report my findings to Minister Cline by May 19, 2003.

Over a four-day period (May 7-8 and May 12-13, 2003), I met personally with representatives of the three key stakeholder groups. My review of the project and its support also included:

- personal letters and questionnaires sent to 50 forest industry stakeholders outside the Prince Albert area to survey their opinions;
- a detailed questionnaire, entitled *Questions for Stakeholders*, distributed to approximately 60 business people and forestry representatives at a public meeting in downtown Prince Albert;
- attendance at a community rally in Prince Albert on May 12, 2003, and discussions with stakeholders and other participants;
- results from a public opinion survey commissioned by the Prince Albert Regional Economic Development Authority (REDA); and
- newsletters and correspondence received from forest industry stakeholders and others stating their positions on the SFC building project.

The results of this review indicated that the SFC board of directors, forest industry and Aboriginal stakeholders, and the community of Prince Albert were in favour of the building project. In fact, the many discussions, interviews, correspondence and survey responses indicated an even greater degree of support for the project than when it was first announced in July 2002.

It should be noted that scattered areas of disagreement were apparent during this review process, some of which could be attributed to incomplete awareness or understanding of the building project and its planning stages. Other areas of opposition regarding the centre or its downtown location were related either to issues of cost or to the function of the building.

Recommendation

The very high level of support for this new facility as demonstrated by the large turnouts at meetings and rallies, Prince Albert city council's special meeting and resolution, and numerous letters and news releases all supporting the project, as well as

the intensity of feelings associated with this project moving ahead as quickly as possible, all combine to make a compelling argument for proceeding with the building project without delay.

Therefore, based on my findings, I recommend that the project to build a permanent facility for the Saskatchewan Forest Centre in downtown Prince Albert proceed as planned, and that construction be resumed as quickly as possible.

INTRODUCTION

Although Saskatchewan has been traditionally viewed as an agricultural province with vast fields of wheat, canola and other grains, more than half of the province – over 355,000 square kilometres – is covered in forest.

The province's forest sector has shown dramatic growth in the past four years with more than 8,000 new direct and indirect jobs being created. The industry also attracted nearly $1 billion in private-sector investment since 1999. Some 300 forestry-related companies pump approximately $750 million a year into the provincial economy.

The forest sector is also changing rapidly, with new developments in pulp and paper production, agroforestry, specialty forest products, new value-added industries and in manufacturing, such as Oriented Strand Board (OSB) operations. At this writing, the world's largest OSB plant is nearing completion in Meadow Lake and is expected to press its first OSB board in July 2003.

In the face of this growth and change, the provincial government and the people of Saskatchewan recognize the importance of managing the province's immense and diverse forest ecosystems to preserve and protect this valuable, renewable resource for future generations.

Thus, the Saskatchewan Forest Centre (SFC) was created as part of a provincial growth strategy to support and further stimulate growth in the forest sector, deliver a range of new technologies, and enhance the province's forest management and research capacity.

Established in Prince Albert in late August 2001 as a partnership between the private and public sectors, the SFC was created to access the best in training, market research and private-sector involvement from across Saskatchewan and Canada. The centre's staff has been operating out of rented quarters in downtown Prince Albert since September 2001.

Following extensive consultations with the SFC board of directors, as well as with forest industry representatives and the local community, it was decided that a new, permanent facility to house the centre's staff and similar, forestry-related organizations could create

the core of a vital hub of research and development to further support and expand the forest industry in Saskatchewan.

A feasibility study completed by the Saskatchewan Opportunities Corporation (SOCO) formed the basis of Cabinet's approval of the budget for the new facility. Salvage and demolition work on the project began in February 2003, and construction of the new facility was slated for spring 2003.

However, recent statements in the media and claims in the Saskatchewan Legislature indicated that the new building for the Saskatchewan Forest Centre in Prince Albert was premature. It was claimed that the building project and its downtown location did not have sufficient support of the industry, the community and some members of the board of directors of the SFC to proceed at this time.

In view of these recent media reports and related claims, the Honourable Eric Cline, Minister of Saskatchewan Industry and Resources, decided to investigate the al :gations and assess the current level of support for the building project.

"Specifically, I want assurance that the industry, community and board of directors' support for this project, for this critical piece of infrastructure is still there...still solid," Minister Cline said in announcing the review at a May 5, 2003, Regina news conference.

TERMS OF REFERENCE AND REVIEW METHOD

TERMS OF REFERENCE

As Deputy Minister of Saskatchewan Industry and Resources, I was instructed to undertake a thorough review of the SFC building project, assess the current level of support for the project, and report my findings to the Honourable Eric Cline, Minister of Saskatchewan Industry and Resources, by May 19, 2003.

I was asked in particular to determine the degree of support for the project in the following key stakeholder areas:

- the board of directors of the Saskatchewan Forest Centre,
- the forest industry including Aboriginal stakeholder groups, and
- the Prince Albert community, including city council and local business people.

REVIEW METHOD

In an effort to determine accurately the degree and nature of support for the project and to provide ample opportunities for input from as broad and representative a stakeholder base as possible, the following approaches were utilized.

1. Seek stakeholder input, including personal interviews with representatives of:
   - the board of directors of the Saskatchewan Forest Centre;
   - forest industry representatives, such as logging, consulting and technology companies;
   - Aboriginal stakeholders, including the Prince Albert Grand Council;
   - the mayor of Prince Albert and city council;
   - the Prince Albert Regional Economic Development Authority (REDA);
   - the Prince Albert and District Chamber of Commerce; and
   - Prince Albert and area business people.

2. Send letters of inquiry, including a questionnaire, to forestry stakeholders and others in an area extending beyond the immediate vicinity of Prince Albert.

3. Distribute survey questionnaires and interview participants at an open meeting in Prince Albert for stakeholders and other interested persons.

4. Include the results of a public opinion survey of some 600 people in Prince Albert and area, commissioned by the Prince Albert REDA.

5. Interview participants at a community rally May 12, 2003, in Prince Albert.

6. Accept and review a petition and letters signed by residents of Prince Albert and district.

BACKGROUND

In April 1999, the provincial government partnered with the forest industry, Aboriginal groups and local communities to begin an aggressive expansion of Saskatchewan's forest sector.

Part of the plan to stimulate growth in the sector was the concept of a forest centre to provide critical technology and market support to the forest industry. Representing a partnership of industry and government, the centre would deliver support services to the forest sector and help companies explore markets for new value-added products made in Saskatchewan.

THE SASKATCHEWAN FOREST CENTRE

Some two years later, the concept became a reality. In August 2001, the establishment of the Saskatchewan Forest Centre was officially announced, with operations scheduled to begin in September 2001 in rented facilities in Prince Albert. The original staff of two was expected to increase to 12 by the end of that year, and to further increase over the coming years. Currently, 23 people work at the centre.

The new, non-profit corporation featured involvement from the private and public sectors. The 13-member board of directors included representatives from the forest industry, technology organizations, Aboriginal groups involved with forest development, and government agencies.

The SFC's business plan, entitled *A Centre for Forest Excellence in Saskatchewan*, set out the centre's mandate, objectives, research program, financial plan, and management and organizational structure.

On the basis of the SFC's business plan, over $15 million of public and private funding was obtained. This five-year funding was committed to the ongoing operation of the centre, with the Province of Saskatchewan contributing $9.875 million, the federal government $5 million, and private-sector support accounting for $300,000. Additional support is expected from the private sector.

To fulfil its mandate, the SFC established the following goals.

1. Create a focal point for technology transfer to the forest sector. Focus on agroforestry, value-added forest sector development and fire/forest ecosystems to bring new methods, ideas and technologies to the sector and improve its long-term competitiveness.

2. Fill gaps in applied technology. Distribute information and improve the adoption of new technologies through direct investments and projects under the Forest Development Fund.

3. Develop niche areas of expertise. Identify new market opportunities within the forest sector and export Saskatchewan knowledge and expertise around the world.

A key part of the SFC strategy was to build partnerships with educational institutions, research groups, the Canadian forest industry and international forestry-related institutions to achieve quicker and more cost-effective results than the centre could attain by working alone.

As the staff complement at the centre continued to grow – it is expected to reach 30 staff once it is fully operational – plans were underway to build a new, permanent facility to house the centre staff as well as Saskatchewan Environment forest ecosystems staff and other private-sector forest technology companies currently part of the centre, and to create space to house additional private-sector technology companies.

It was anticipated that a new, state-of-the art facility would boost Prince Albert's reputation as a hub for forestry research and development activities and establish a nucleus that could attract similar organizations.

This principle had proven successful with Innovation Place in Saskatoon, which has become one of North America's most successful research parks for agriculture, information technologies and the environment; and the Regina Research Park in Regina, with its focus on enhanced oil and gas recovery and petroleum technology.

It should be noted that companies such as GeoSpatial Timberline Inc., Forintek Canada Corporation, the Forest Engineering Research Institute of Canada (FERIC), and BioForest Technologies Inc. have already established a presence in Prince Albert as a result of the Saskatchewan Forest Centre being there. The SFC also houses the Forest Industry Suppliers and Logging Association (FISLA) and the Saskatchewan Forestry Association.

SFC Building Site

In December 2001, an AODBT architect's report reviewed three options for a building site for the new SFC facility:

- downtown Prince Albert, on Central Avenue across from City Hall,
- east of SIAST on 15th Street, and
- the Fire Centre across the Saskatchewan River on Highway 2.

The report eliminated the Fire Centre due to "the lack of profile, servicing cost and the desire not to impact the forest through development." The site is well treed, and construction and landscaping activities for the building and parking lot would have involved removing significant ground cover, including mature trees.

In the architect's judgment, "the site adjacent to SIAST offered some attractive opportunities, but cost of land, servicing difficulties and timing issues related to environmental clean-up argued against it as a viable site." There is also considerable expense related to environmental concerns and remedial soil activities associated with the proposed SIAST site.

The architect's report calculated the costs for the downtown Prince Albert site to be approximately $847,000 lower than for the SIAST site, and concluded that the downtown location was "the site with the best economics and the highest level of community support."

It should be noted that more recent project calculations (made since the December 2001 AODBT report) show the downtown location costs to now be $2.1 million less than the costs associated with the SIAST site, exclusive of the additional costs associated with required remedial soil activities at the SIAST site.

After considerable consultation and discussion, and based on the recommendations of the SFC board of directors, forest industry representatives and the City of Prince Albert, the Province of Saskatchewan agreed that the downtown location was the preferred site for the new building.

The decision to build downtown was based on its lower land costs as well as a desire to assist with the revitalization of downtown Prince Albert, similar to the manner in which the provincial government participated in the development of the Cornwall Centre in downtown Regina.

In July 2002, at a sod-turning ceremony in Prince Albert, plans were announced for a permanent location for the Saskatchewan Forest Centre in the downtown area. The new building would also house forestry staff from Saskatchewan Environment in addition to various private-sector forest and technology companies.

SFC Building Project

At a meeting on December 18, 2002, based on the recommendation of the Minister of Saskatchewan Industry and Resources, Cabinet gave final approval to the Saskatchewan Forest Centre building project.

The Saskatchewan Opportunities Corporation was given responsibility for the construction of the $12.7-million facility. When completed, the 75,000-square-foot building was expected to accommodate at least 90 people. The construction of the building was scheduled to be completed in the fall of 2004.

In October 2002, the Saskatchewan Forest Centre released its first annual report, describing its activities and accomplishments, including:

- establishing its operations in Prince Albert,
- finalizing funding agreements, and
- launching several technology projects to support and expand the forest sector.

Noting that the report included the development model the SFC had established to help grow the province's forest sector, Chief Executive Officer Robin Woodward stated that the centre was on its way to becoming "Saskatchewan's focal point for forest-related knowledge by creating a technology capacity focused on the forest and wood product sector."

The SFC also released its 2002-2006 strategic plan, outlining its goals, research and work plans, and performance measures associated with building a productive and sustainable forest sector. The plan was distributed to the forest industry and the public, and was also made available on the SFC Web site.

Attending a ribbon-cutting ceremony at an open house hosted by the centre in February 2003, Saskatchewan Industry and Resources Minister Eric Cline announced provincial funding of $4 million to take the SFC's new building to the next stage of development. Salvage work at the existing buildings on the site had already begun, demolition was to start in March 2003, and construction of the new building was scheduled for the spring of 2003.

In early May 2003, amid reports in the media and charges in the Saskatchewan Legislature that the project did not have the full support of the board of directors of the SFC, the forest industry and the community of Prince Albert, Minister Cline asked for an updated status report on the project – especially the level of support from the three key stakeholder groups – before proceeding further.

In requesting the review, Minister Cline noted that there had been extensive, ongoing consultation with key stakeholders throughout the process. "Cabinet made its decision on the basis of industry, community and board of directors' support," he said. "If the situation has changed, we need to know that."

The building project was put on hold pending the completion of this status report.

SFC Project Review

On May 5, 2003, a review to determine the extent and nature of the support for the construction of a permanent Saskatchewan Forest Centre facility in downtown Prince Albert was undertaken upon the request of the Honourable Eric Cline, Minister of Saskatchewan Industry and Resources.

As Deputy Minister of Saskatchewan Industry and Resources, I was commissioned to contact key stakeholders as well as other interested parties and groups to assess the situation and gauge the degree of support for the building project.

Of special interest and concern was the level of support for the SFC building project among the SFC board of directors, within the forest industry and Aboriginal stakeholder groups, and in the community of Prince Albert.

Over a two-day period (May 7-8, 2003), I met personally with a number of individuals and representatives, including the following groups in the Prince Albert area:

- members of the board of directors of the Saskatchewan Forest Centre;
- forest industry stakeholders, including logging, consulting and technology companies;
- the grand chief of the Prince Albert Grand Council;
- the mayor of Prince Albert and members of city council;
- the chair of the Prince Albert and District Chamber of Commerce and members;
- the chair and members of the Prince Albert Regional Economic Development Authority; and
- numerous local business people.

In addition, personal letters and questionnaires were sent to 50 Saskatchewan forest industry stakeholders to survey their opinions.

A detailed questionnaire, entitled *Questions for Stakeholders*, was distributed to approximately 60 business people and forestry representatives at a public meeting in downtown Prince Albert.

I made a further visit to Prince Albert (May 12-13, 2003) to attend a community rally and to speak with additional stakeholders.

The Prince Albert REDA commissioned a public opinion survey in the Prince Albert area and made this information available for inclusion in this report.

I have also reviewed newsletters and correspondence received from forest industry stakeholders, communities, businesses and others from across the province stating their positions on the SFC building project.

It should be noted that the many people of Prince Albert and area who participated in this review were – without exception – most helpful and supportive of this important exercise. Sincere thanks and appreciation are extended to all of the people who helped to expedite this process and to those who took the time to contribute their ideas, suggestions and comments.

The following is a summary of the review's findings, including the results of interviews, surveys and discussions.

SFC Board of Directors

The Saskatchewan Forest Centre board of directors represents Saskatchewan forest and value-added technology industries.

The SFC board of directors speaks with one voice in support of the centre's new building in downtown Prince Albert. In a news release dated May 5, 2003, SFC Chief Executive Officer Robin Woodward stated that the board confirmed its ongoing support of the provincial government's plans to build "a forest building which will house a 'cluster' of new firms focused on creating new economic opportunities for Saskatchewan's forest, farm and value-added companies."

The news release stated that the cluster model is already bearing fruit, and that "many businesses now located at the SFC" were not in Saskatchewan before the centre was established.

Greg Wickware, President and CEO of GeoSpatial Timberline Inc., and a member of the SFC board, has located four staff at the centre. In an SFC news release supporting the centre, he pointed out that the Saskatchewan Forest Centre is "a new, totally innovative approach to grow a knowledge cluster in Canada."

Forintek Canada Corporation, also represented on the SFC board, has joined the cluster of companies at the Saskatchewan Forest Centre, allowing Saskatchewan to access technology developments and the research program of Canada's national research laboratories. Forintek has located three staff members at the centre.

Vice President Jim Dangerfield of Forintek stated that Prince Albert was a good choice for the location of the SFC because it was already home to the offices of "major players in the forest industry and other significant stakeholders."

He found the downtown location to be "totally acceptable" and pointed out that the location "does not preclude any of the research currently being considered by the Saskatchewan Forest Centre."

FOREST INDUSTRY AND ABORIGINAL STAKEHOLDERS

During the course of this review, meetings were arranged with representatives of the forest industry and with Aboriginal stakeholders.

On May 8, 2003, a meeting was held with Steve Smith, Vice President of Weyerhaeuser Saskatchewan Ltd. in Prince Albert, and a member of the SFC board of directors.

Weyerhaeuser is one of the largest companies in Saskatchewan, employing some 1,500 people at its Prince Albert operations.

Reacting to media reports claiming he was not supportive of the plan to build the new SFC facility in downtown Prince Albert, Mr. Smith stated that these reports were simply not accurate.

He explained that in an interview with the media on May 2, 2003, he had made certain statements that related to the time the project was first being considered by the SFC board more than one year ago. He noted that some of these statements were presented in recent media reports as though they were fresh and current.

Mr. Smith pointed out that the candid opinions expressed during that early phase of the project were a part of the deliberation process, and that the board, after considering a broad range of viewpoints, made a decision to build the new facility in downtown Prince Albert – a decision that he supports.

Mr. Smith went on to say that he believes the Saskatchewan Forest Centre plays a key role in the future forest industry in the province, and that he is already encouraged by some of the research being made possible by the centre.

He further clarified his position in a letter to Minister Cline (dated May 8, 2003) stating that he wished "to clearly state my support for the Saskatchewan Forest Centre in Prince Albert."

In his letter to Minister Cline, Mr. Smith added that he is "certainly not calling for a delay" in the construction of the centre, as was stated in the media. In noting that media reports of "year-old deliberations" were presented as though the discussion were continuing, Mr. Smith said, "Nothing could be farther from the truth."

He added that he "fully supported the board's stated position endorsing the downtown location of the Saskatchewan Forest Centre."

On May 8, 2003, I met with Brian Zelensky and Don Pawson of Zelensky Brothers Sawmill in La Ronge. Mr. Zelensky agreed that there was a need for a forest research centre and supported Prince Albert as a location for the new centre. He indicated that he and most stakeholders continue to support the project as proposed. He also stated that consultations were adequate; however, Mr. Zelensky pointed out that, at the time, he was not fully aware of all the consultation process and locations.

Don Pawson stated that there is a need for a forest research centre in Saskatchewan "for both the short and long term." However, he stated that funding should not be for local research that is "just a duplication of work done elsewhere."

Mr. Pawson also supported Prince Albert as a location for the centre, commenting that the city has been and "will remain the centre of forestry in Saskatchewan." His position on the building project is that it should be an economic decision, and he supports a new facility as long as there are "positive economics of the project" as well as work structure considerations that support such a decision.

He stated that there is "very definitely" continued stakeholder support for a new centre, especially "on the research and development of common funding/research agencies locally."

Mr. Pawson felt he would need to know more about the details of the building proposal to make a clear and informed decision on it, although he "definitely" supports the research aspects of the proposal.

Ken Davies, of L&M Wood Products (1985) Ltd., stated in a letter to me that the province needs "to further develop the forest industry, consequently, if the forest centre can be self-sufficient in terms of the services it provides and rental space to other departments, agencies and companies, then by all means, proceed." Mr. Davies added, "Prince Albert is the logical centre for a research centre, if in fact a new one is constructed."

James Wasserman, Vice President of Prairie Agricultural Machinery Institute (PAMI), noting that "Prince Albert appears to be a logical location" for the new forest centre, stated in a letter to me that PAMI agrees with the role of the SFC "to bring a focus to the various existing research agencies that could serve the efficient and sustainable growth" of the forest industry in Saskatchewan.

Mr. Wassermann added that PAMI views this focusing role as "more efficient than if the centre was to take the direction of setting up its own research labs and facilities," pointing out that the approach SFC is taking "allows scarce financial resources to achieve the most results."

Doug Walker, Chief Operating Officer of Timberline Forest Inventory Consultants, and a member of the Technical Advisory Committee of the SFC, stated in a letter to me that his support "has strengthened since the SFC opened in Prince Albert," adding that the SFC is emerging as "Saskatchewan's key forestry research centre, within a much broader range of activities related to technology development, knowledge management, and technology transfer."

Mr. Walker stated that he does not view the SFC as being "primarily a research facility," stating that it is "a central location for a network of partners to co-locate for mutual benefit, with sustainable forestry development in Saskatchewan as the unifying theme."

Mr. Walker also stated that his company chose to locate its subsidiary company, GeoSpatial Timberline, "within the SFC because we see great business value in

co-locating with others of similar interests," adding that the new facility will "greatly assist all partners in meeting the SFC's research and other goals."

At an open meeting held in Prince Albert on May 7, 2003, for business people and forestry stakeholders to voice their opinions, a number of other forestry representatives attended and completed a questionnaire expressing their support for the new forest centre in downtown Prince Albert.

Aboriginal Stakeholders

Aboriginal stakeholders play a major role in Saskatchewan's forest industry, and they make a significant contribution to the SFC board of directors, with representatives from the Prince Albert Grand Council, Peter Ballantyne Cree Nation and the Lac La Ronge Indian Band. The Métis community is represented through Northwest Communities Wood Products.

On May 5, 2003, the Prince Albert Grand Council (representing 12 First Nations and 26 communities) issued a news release expressing its support of the Saskatchewan Forest Centre and the provincial government's "plan to develop an office complex in downtown Prince Albert that will accommodate forest knowledge-based business."

The release went on to state that the new office complex proposed by the government is needed "to facilitate growth of Saskatchewan's forest sector," and noted that "the new office complex has the added benefit of assisting the city in its downtown re-development plans."

Grand Chief Gary Merasty also wrote a letter (dated May 6, 2003) to Minister Cline "to clarify Prince Albert Grand Council's position on this matter."

The letter states that recent media reports giving the impression that First Nations are not supportive of the provincial government's plan to develop an office complex in downtown Prince Albert are in error. The letter emphasizes that the Prince Albert Grand Council is "definitely supportive" of the Saskatchewan Forest Centre and the province's plans to develop the new facility.

Grand Chief Merasty confirmed these views in a personal meeting with me, stating that he and the grand council "strongly prefer the downtown location."

Trevor Ives, of Mee-Toos Forest Products Ltd., stated in a letter to me that the company "was pleased to reaffirm" its support for the Saskatchewan Forest Centre in Prince Albert. Mr. Ives expressed the view that the centre "will undoubtedly assist in maintaining, developing and growing" the forest industry in Saskatchewan. Mee-Toos Forest Products Ltd. is owned by the Peter Ballantyne Cree Nation.

THE PRINCE ALBERT COMMUNITY

There is considerable support for the building project in Prince Albert, within city council and the local business community, as well as within the community at large.

On May 12, 2003, a business/community rally attracting more than 400 people was held in Prince Albert in support of the SFC building project and its proposed location in the downtown area of the city. The rally was sponsored by the Prince Albert Volunteer Committee, representing the Prince Albert and District Chamber of Commerce, the Downtown Business Association and the Prince Albert Futures Business Group.

Prince Albert Mayor Don Cody spoke at the rally, and people were invited to come up to the microphone and state their views on the SFC building project. The views expressed were consistently positive and in favour of the building project.

On May 15, 2003, I received 38 letters and a petition signed by 870 Prince Albert and area people expressing support for the forest centre and its location in downtown Prince Albert.

Prince Albert City Council

In a meeting with Mayor Cody on May 7, 2003, it was quite evident that both he and the city council offered wholehearted support for the new SFC facility and its downtown location.

Mayor Cody said the building project fit in with Prince Albert's efforts to revitalize the downtown core of the city. He said the facility was well suited for the downtown area and represented an important part of the city's revitalization plan, adding that he was anxious to see the building project resume as soon as possible.

City officials view the new facility as a cornerstone of their redevelopment plans for the downtown core. At a special meeting of city council held on May 12, 2003, a resolution

was introduced to reaffirm the city's "complete unconditional support for the construction of the Saskatchewan Forest Centre, with that facility to be located in downtown Prince Albert."

The resolution was passed unanimously and, in a letter to me from the City Clerk and Director of Legislative Services, Charmaine Code, it was requested that the resolution be forwarded to Minister Cline.

At that meeting, city council also considered a presentation from representatives of business and community leaders in Prince Albert and area, concluding that the "large, diverse group of citizens has voiced overwhelming support" for the building project.

Prince Albert Business Community

The Prince Albert Business Persons meeting held May 7, 2003 – organized by the local business community – attracted approximately 60 people, including representatives of the forest industry. The general tenor of the meeting was one of support for the SFC building project and the downtown location for the new facility.

Questionnaires were distributed to those in attendance, and a total of 35 questionnaires were completed and returned.

The general response from the 35 questionnaires was that the consultation process prior to the decision on the new facility and its location was sufficient and, further, that support for the project had not declined. Quite the reverse, there was an overwhelming sense that support for the project had actually increased.

Representative responses to the following two questions are included here.

1. *Consultations were held with the industry, the community and the centre's board of directors before the decision to proceed was made in 2002. In your view, should anyone else have been consulted and if so whom?*

    - I'm happy with the consultation provided.
    - Full consultation was made in 2002 as far as I am aware.
    - Everyone was already consulted.

- I believe the consultation was very extensive and encompassing, however the results and the positives from the consultative process should have been more widely publicized.
- I don't know who was missed. My understanding was the consultation was thorough.
- Well researched.
- Consultation was wide and thorough.
- This is a solid project for all involved. The current info that I am aware of supports the decision to build downtown.

2. *When the project was announced in 2002, there was general support for it. Do you think most stakeholders continue to support the need for a new SFC?*

- Yes, the support has continued and also has grown.
- Absolutely yes.
- 100%
- That support has mushroomed.
- I believe there is great support.
- Most likely more support than in 2002.
- The people and citizens of Prince Albert are eagerly awaiting to see this centre.
- I know there is widespread support!! Particularly for the downtown location.
- I believe support has increased during this period.
- I more strongly support the project as I see the downtown real estate and business climate strengthen.

In addition, Bill Rawlinson of Rawlean Management and Consulting Services Ltd. in Prince Albert, stated in a letter to me that he believes Prince Albert is the most logical place for a forest centre, adding that if it is developed and managed properly, he sees it as "a small innovative place for Northern Saskatchewan."

Prince Albert Regional Economic Development Authority (REDA)

On May 7, 2003, I met with the chair of the Prince Albert REDA, Greg Dionne. At that meeting, Mr. Dionne offered wholehearted support for the project on behalf of REDA members and its board. He advised me that the board, representing the rural municipalities, towns and cities in the Prince Albert region, met on May 5, 2003, and

overwhelmingly "acknowledged their support for the forestry centre in downtown Prince Albert."

He indicated that the membership is excited about the project, viewing the establishment of this centre as "the first phase in the economic boom that forestry will have in the next five years."

Mr. Dionne said that the REDA board "recognizes that the forestry centre complex in Prince Albert belongs not only to Prince Albert – it will be the anchor for the northern region to attract private investment." He added, "Our concern with any delay in the construction of the forestry centre is that it will give a negative signal to the private investors that are looking at our area to set up their operations."

In his position as General Manager of the Gateway Mall in downtown Prince Albert, Mr. Dionne has also written a letter to me outlining his support of the SFC building project and its downtown location, and echoing the concerns regarding any delay or uncertainty concerning the project.

In the letter, Mr. Dionne states that he and the mall "support 100%" the construction of the forestry centre "in downtown Prince Albert," and, further, that the proposed location and construction of the centre and "the potential job growth that this will attract to our city" has sparked commitments of very large investments in the community.

However, Mr. Dionne points out the recent delay in construction and uncertainty as to the centre's downtown location now has some of the investors questioning "whether they should continue with their investment plan in the city of Prince Albert."

Mr. Dionne further states that he cannot emphasize enough "the importance of the centre's economic impact on our community" and urges the government to proceed "as soon as possible" with the building project.

REDA Public Opinion Poll

The Prince Albert REDA commissioned a public opinion survey of 600 residents of Prince Albert and area, conducted between May 8 and May 14, 2003. The survey polled

residents' views on the Saskatchewan Forest Centre and the degree of support it had within the community.

The results of this survey are given below.

- Prior to the recent public discussions about a proposed new Saskatchewan Forest Centre building in downtown Prince Albert, slightly more than one-third of the residents had heard of the SFC.

- Since the public discussions about the building, virtually all of the region's residents have heard of the Saskatchewan Forest Centre.

- Nearly four out of five people (78.2%) believe that the SFC is important to the forest industry.

- Nearly three-quarters (71%) believe that the proposed new building is important to the city of Prince Albert.

- Some 63.8% of respondents now support the new building in downtown Prince Albert – up from 56% when they first heard about the proposed building.

- Nearly seven out of 10 people (68.5%) said that construction of the new building should proceed as planned.

A poll of this magnitude for a population the size of the city of Prince Albert and immediate environs can be expected to produce results that are deemed to accurately reflect the views and opinions of the total population, $\pm$ 4%, 19 times out of 20.

Prince Albert and District Chamber of Commerce

Discussions with representatives of the Prince Albert and District Chamber of Commerce at the Prince Albert Business Persons meeting indicated continued support for the SFC project and its proposed downtown location.

Members I spoke with agreed that most stakeholders continued to support the project and that the consultation process was adequate. As one member stated on the

questionnaire concerning the consultation process, "I feel confident the process was fulfilled."

In addition, Dennis Balon, Chair of the Prince Albert and District Chamber of Commerce, indicated that the chamber was "fully satisfied the level of due diligence conducted was appropriate."

Other Communities

It should be noted that other communities have considered this issue and took the time to communicate their views as well.

Nipawin Mayor Glen Day wrote to me expressing support for the new SFC centre, adding that Nipawin sees the new forest centre as "a benefit to our community and to other centres in Northeast Saskatchewan."

Mayor Jim Doherty of Carrot River also wrote to express support for a forest centre in Prince Albert.

The Rural Municipality of Buckland No. 491 passed the following resolution at a May 7, 2003, council meeting: "That correspondence be forwarded to Minister Eric Cline indicating the R.M. of Buckland support for development of the Saskatchewan Forest Centre in the downtown Prince Albert area."

In addition, I reviewed correspondence received from across the province that supported the Saskatchewan Forest Centre and its Prince Albert location.

CONCLUSION

Support for a permanent Saskatchewan Forest Centre in downtown Prince Albert has not declined; in fact, the many discussions, interviews, letters and survey responses received indicate an even greater degree of support for the project than when it was first announced in July 2002.

A broad range of correspondence, interviews, discussions, meetings and questionnaires indicated considerable support for the SFC building project within three significant stakeholder areas:

- the Saskatchewan Forest Centre board of directors,
- the forest industry and Aboriginal stakeholder groups, and
- the community of Prince Albert.

As can be expected with any major undertaking, there will not be full 100 per cent support across all stakeholder groups. Thus, scattered areas of disagreement were apparent during this review process, some of which could be attributed to incomplete awareness or understanding of the building project and its planning stages. Other areas of opposition regarding the centre or its downtown location were related to issues of cost or to the function of the building.

RECOMMENDATION

The very high level of support for this new facility as demonstrated by the large turnouts at meetings and rallies, Prince Albert city council's special meeting and resolution, and numerous letters and news releases all voicing support for the project, as well as the intensity of feelings associated with this project moving ahead as quickly as possible, all combine to make a compelling argument for proceeding with the building project without delay.

Therefore, based upon my findings in this review, I recommend that the project to build a permanent facility for the Saskatchewan Forest Centre in downtown Prince Albert proceed as planned, and that construction be resumed as quickly as possible.

APPENDIX

APPENDIX A

SFC BUILDING PROJECT FACT SHEET

The Saskatchewan Forest Centre has outgrown its first, temporary location and is well on the way to outgrowing its second. The centre currently employs 23 people, and it is expected to employ up to 30 people once it is fully operational. There is very little office space available in the city of Prince Albert, and the objective of bringing together the various public, private and non-profit forestry agencies into a single location cannot be achieved elsewhere in Prince Albert.

DESIGN AND FUNCTION OF THE SFC FACILITY

The SFC board of directors and the centre's administration have been consulted in regard to many aspects of the building's design. The board has indicated that one of the centre's primary functions is to transfer technology from other established research organizations to the forest sector, thus the building's function is largely as an office building. The centre will not be duplicating research work being done elsewhere and, as such, has little need for laboratory space of its own. Should additional research capabilities be required in the future, the existing site is large enough to accommodate additional development.

PROGRESS OF THE BUILDING PROJECT

The building design is virtually complete. Demolition of the on-site buildings is nearing completion. Pending this project review and status report, tenders for construction could be issued. These tenders would close about one month later and construction could begin shortly thereafter. The construction of the building was scheduled to be completed in the fall of 2004.

COST OF THE NEW BUILDING

Approximately $1.4 million has been spent to date on the project. These costs include land assembly, building demolition and salvage costs, environmental clean-up (asbestos removal) and architectural fees. The building is budgeted to cost $12.7 million, with Saskatchewan Industry and Resources contributing $4 million and the remaining $8.7 million being financed through Saskatchewan Opportunities Corporation (SOCO). The federal government is providing $1 million indirectly, by boosting funding for other provincial commitments instead of direct federal spending on the SFC building.

The City of Prince Albert is making other contributions in related downtown redevelopment.

Plans for the 75,000-square-foot building include some 58,000 square feet of space that can be leased. The SFC is committed to leasing 22,000 square feet, Saskatchewan Environment another 20,000 square feet, and discussions are continuing with other prospective tenants. It is expected that over 90 per cent of the available space will be spoken for by the time the building is ready for occupancy. SOCO will own and operate the building. Currently, over 70 per cent of the building space has been spoken for, enough to ensure that the building will break even in its first year of operation.

APPENDIX B

SFC BOARD OF DIRECTORS

Four seats on the board of directors of the Saskatchewan Forest Centre are reserved for representatives of government agencies. These agencies appoint another four representatives from the private sector. SFC members elect the remaining five representatives from industry and Aboriginal groups involved with forest development.

SFC BOARD MEMBERSHIP

The current SFC board of directors membership includes the following organizations, companies and agencies.

- Canadian Forest Service, Natural Resources Canada
- Forintek Canada Corporation
- GeoSpatial International Inc.
- Halland Forest Products
- Kitsaki Management
- Land of the Loon Resort
- Northwest Communities Wood Products
- Peter Ballantyne Cree Nation
- Prince Albert Development Corporation
- Saskatchewan Environment
- Saskatchewan Industry and Resources
- Western Economic Diversification Canada
- Weyerhaeuser Saskatchewan Ltd.

In addition, several agencies maintain observer status on the board of directors. This ensures that the activities and interests of the SFC complement the delivery functions of these observer groups.

The involvement and guidance from such a wide range of stakeholders in the forest sector will ensure that the Saskatchewan Forest Centre can balance diverse interests and achieve its goals in a socially and environmentally responsible manner.

APPENDIX C

STAKEHOLDER CORRESPONDENCE

The following news releases and letters sent to the Honourable Eric Cline, Minister of Saskatchewan Industry and Resources, and to Deputy Minister Larry Spannier are referred to in this report and are representative of the large volume of mail received during the course of this review process.

Weyerhaeuser
The future is growing™

DEPUTY MINISTER'S OFFICE
MAY 09 2003
Sask. Industry and Resources

Saskatchewan Division
PO Box 1720
Prince Albert Saskatchewan
Canada S6V 5T3
Tel (306) 953-1780
Fax (306) 953-0447

May 8, 2003

Honourable Eric Cline, Q.C.
Minister of Industry and Resources
Room 355
Legislative Building
Regina, SK, S4S 0B3

Dear Minister Cline,

This letter is to clarify and put into proper context comments attributed to me regarding the Saskatchewan Forest Centre.

First, I wish to clearly state my support for the Saskatchewan Forest Centre in Prince Albert.

There should be no doubt, that I view the Saskatchewan Forest Centre as important to the future of the forest industry in Saskatchewan. I am very encouraged by some of the work already being facilitated by the presence of the Saskatchewan Forest Centre in Prince Albert. I believe the Saskatchewan Forest Centre can play a pivotal role in improving forest management costs and manufacturing efficiencies for an industry that faces increasing global competition. Once the Saskatchewan Forest Centre moves into its permanent location, one can anticipate many more accomplishments.

There is a saying that "a board deliberates with many voices but communicates with one". Unfortunately, news reports about the construction and location of the Saskatchewan Forest Centre took year-old deliberations and framed them in a manner that would imply the discussion continues. Nothing can be farther from the truth.

When the board of the Saskatchewan Forest Centre discussed the merits of the facility, there was candid discussion of various opinions. Those opinions were reflected in the report that served as the basis of the news items. However, what was reported – and made to seem fresh – was a discussion that was held at least a year ago. The board of the Saskatchewan Forest Centre had the discussion, came to a decision and moved on.

As a member of the Saskatchewan Forest Centre board of directors, I fully supported the position endorsing the downtown location of the Saskatchewan Forest Centre. I am certainly not calling for a delay in the construction of the Saskatchewan Forest Centre as stated in the headline of a Saskatoon Star Phoenix story on May 3, 2003.

I hope this serves to clarify the issue. I regret that I have inadvertently played a part in an issue that is serving as a distraction from the important work of the Saskatchewan Forest Centre.

Sincerely,

Stephen M. Smith
Vice President, Saskatchewan

100th Anniversary

Saskatchewan Forest Centre Building

FOR IMMEDIATE RELEASE – May 5, 2003

The Saskatchewan Forest Centre (SFC), a non-profit company established to help grow the Province's forest sector, confirmed its ongoing support of the Provincial Government's plans to build a forest building which will house a 'cluster' of new firms focused on creating new economic opportunities for Saskatchewan's forest, farm, and value added companies.

"The 'cluster' model is already bearing fruit," said Robin Woodward, CEO of the Saskatchewan Forest Centre, "many businesses now located at the SFC were not in Saskatchewan before the non-profit was established."

Woodward further indicated that "the building will become a visible symbol of the Province's commitment to this vital part of Saskatchewan's economy, in much the same way the Innovation Place in Saskatoon supports the agriculture sector and Innovation Park in Regina supports the energy sector. We are pleased that the Province directed the Innovation Park Branch of Crown Investment Corporation (CIC) to design and build the facility following its own cost-benefit review."

Greg Wickware, President and CEO of Geospatial Timberline Inc., has located four staff at the SFC. "The non-profit company structure of the Saskatchewan Forest Centre is a new, totally innovative approach to grow a knowledge-cluster in Canada. Many provinces have established knowledge bases for their forest industry – the Hugh John Fleming Forest Centre in New Brunswick, the Alberta Research Council in Alberta and the Forintek facilities in BC and Quebec, are examples. Saskatchewan businesses deserve the same support relied on by forest companies in other provinces," Wickware said.

"What is unique about the Saskatchewan approach is the involvement of the private sector on the SFC Board of Directors and the willingness of the Centre to partner with external, private sector firms like mine to support growth in

the Province's forest management and research capacity for small and large forest businesses, alike," stated Wickware. "Saskatchewan forestry is bigger than people think, and they should be proud of it!"

Woodward confirmed that the SFC non-profit corporation has no involvement in the actual construction of the facility, and looks forward to discussions with CIC on the final design and rental rates.

CIC also has requested that the SFC work with them to maximize the local wood/material content in the building. As example, the SFC helped secure lodgepole pine from Cypress Hills, and has hosted several meetings between CIC and potential suppliers to promote the use of local products such as flooring and paneling in the facility.

The SFC receives financial support from the private sector, and federal and provincial governments. It is mandated to stimulate the acquisition, creation and dissemination of knowledge to build a socially, ecologically and economically sustainable forest sector. The SFC provides the industry with the best market research, new technologies, and growth opportunities from across Canada and around the world. It employs few direct staff; instead it partners with nationally recognized companies to deliver services to Saskatchewan's forest, farm, and value-added companies.

Over 20 people now work at the SFC, and that number is expected to be 35 by spring of 2004. Staff members include experts from Geospatial Timberline, Forintek Canada Corporation, and the Forest Engineering Research Institute of Canada (FERIC). The SFC also houses the Forest Industry Suppliers and Logging Association (FISLA), BioForest Technologies Inc., and the Saskatchewan Forestry Association.

The SFC is governed by a 13-member Board of Directors, nine private sector and four government. Private sector members include four Aboriginal groups, tourism companies, forest companies, and national/international inventory, forest planning, and research companies.

The SFC has seen considerable growth and accomplishment over its first 18 months of operation. At the outset the main priority was to establish its long term strategic plan, which was approved by the Board in June 2002. The plan now guides

all ongoing activities of the SFC. The Board of Directors is meeting May 5th and 6th to review the 2003/04 Annual Plan.

The SFC also established the Saskatchewan Forest Development Fund to support near-term forest development. Over $1M has been advanced, and results are beginning to show – for example a study was completed to find a commercial application for stockpiled wood residues. A new series of Development Fund projects are expected to be approved at the May Board meeting, along with next year's operations. The SFC looks forward to further growth and change in the forest sector.

For more information, please contact:

Mr. Robin Woodward
Chief Executive Officer
Saskatchewan Forest Centre
Phone: (306) 765-2848 (w); 961-2879 (c)

PRINCE ALBERT GRAND COUNCIL

MAIN OFFICE
Opawakoscikan Reserve #201, P.O. Box 2350, Prince Albert, Saskatchewan S6V 6Z1
Phone: (306) 953-7200 • Fax: (306) 764-6272

L-543

May 6th, 2003

Honourable Eric Cline
Minister of Saskatchewan Industry & Resource
Legislative Building
2405 Legislative Drive
Regina, Saskatchewan S4S 0B3

Honourable Eric Cline:

Recent reports by the media have led to the impression that First Nations are not supportive of the provincial government's plan to develop an office complex in downtown Prince Albert to accommodate the city's growing number of forest knowledge based companies, such as the Saskatchewan Forestry Center. I am writing to you to clarify Prince Albert Grand Council's position on this matter, as we are definitely supportive of the Saskatchewan Forestry Center and the provinces' plan to develop the aforementioned office complex. Please find enclosed copy of my press release issued to the media on May 5th, 2003.

In terms of investment in the proposed office complex by aboriginal groups, I would indicate that PAGC expressed interest in the business opportunity through our development corporation, however; no formal prospectus or business plan was ever presented to us to make an informed decision. When the office complex was announced, we simply assumed that SOCO had arranged suitable project financing and did not require additional investors. This as you know, is common practice in the commercial real estate sector.

I trust the above is to your satisfaction. Please contact me if you have any questions or concerns.

Your truly,

Grand Chief Gary Merasty
PRINCE ALBERT GRAND COUNCIL

c.c.: Eldon Lautermilch, Minister of Aboriginal Affairs

PRESS RELEASE

Contrary to some media reports, the Prince Albert Grand Council supports the Saskatchewan Forestry Centre (SFC) and the provincial government's plan to develop an office complex in downtown Prince Albert that will accommodate forest knowledge-based businesses.

First Nations actively participate as Board of Directors of the SFC with representatives from Prince Albert Grand Council, Peter Ballantyne Cree Nation and Lac La Ronge Indian Band. SFC's mandate is to increase forest knowledge so as to facilitate new economic opportunities in the forestry sector. SFC has been instrumental in funding research and development projects that are increasing forest science and attracting new investment and forest science companies to the province.

The new office complex proposed by the provincial government is needed to facilitate growth of Saskatchewan's forestry sector. The concept of "clustering" knowledge based companies has proven to be effective in Regina and Saskatoon. The new office complex has the added benefit of assisting the City in its downtown re-development plans. We hope the SFC and new office complex sparks the economic growth that cities like Saskatoon and Regina have grown accustomed to, states Grand Chief Gary Merasty.

For further information please contact:
Grand Chief Gary Merasty
Prince Albert Grand Council
Phone: (306) 953 7200

Mee-Toos Forest Products Ltd.
P.O. Box 2320
Prince Albert
Saskatchewan, Canada S6V 6Z1
Phone: (306) 765-4421 Fax: (306) 953-4419

May 12th, 2003

INDUSTRY AND RESOURCES
11th Floor
2103 – 11th Avenue
Regina, Saskatchewan
S4P 3V7

Via fax: (306) 787-2159

Attention: Mr. Larry Spannier, Deputy Minister

RE: Saskatchewan Forest Centre – Prince Albert

Dear Mr. Spannier,

With reference to the above, we are pleased to reaffirm our support for the Saskatchewan Forest Centre in Prince Albert. As a community, Prince Albert is already seeing the positive impact from the Saskatchewan Forest Centre. As an industry, the forest sector will continue to benefit from the initiatives of the Saskatchewan Forest Centre. The work supported by the Saskatchewan Forest Centre will undoubtedly assist in maintaining, developing and growing the forestry industry in our Province. As the industry faces increased competition and a number of increased economic pressures, the efforts of the Saskatchewan Forest Centre become ever more important.

We trust the foregoing is to your satisfaction, however, should you have any questions please feel free to contact me at (306) 961-9915.

Yours truly,

Trevor Ives, CA

L & M Wood Products (1985) Ltd.
P.O. Box 280
Glaslyn, SK S0M 0Y0
Telephone: (306) 342-2080
Fax: (306) 342-4707
Email: lm.wood.prod@sk.sympatico.ca

May 13, 2003

Mr. Larry Spannier, Deputy Minister
Saskatchewan Industry & Resources
2103 - 11th Avenue
Regina, SK S4P 3V7

Fax - 306-787-2159

Dear Mr. Spannier:

In response to your letter of May 8, 2003, I provide you with the following comments:

- I do not know if there is sufficient need for a Research Centre of this magnitude as I do not recall seeing the results of any study conducted with regards to a new Research Centre. However, that being said, the Province does need to further develop the Forest Industry, consequently, if the Forest Centre can be self-sufficient in terms of services it provides and rental space to other Departments, Agencies and Companies, then by all means proceed. I just don't think the Saskatchewan Tax Payer should be required to pay for it, even though all residents benefit in some way.

- Prince Albert is the logical centre for a Research Centre, if in fact a new one is constructed.

- My views remain much the same as they were a year ago.

I trust this will cover your request.

Sincerely,

L & M Wood Products (1985) Ltd

J.K. (Ken) Davies, Manager

JKD/stl

Timberline
Forest Inventory Consultants

13 May 2003

Larry Spannier
Deputy Minister
Saskatchewan Industry and Resources
2103 – 11th Avenue
Regina, SK
S4P 3V7

Dear Mr. Spannier:

Thank you for your letter of 8 May requesting feedback on the Saskatchewan Forest Centre. I have been associated with and highly supportive of this initiative since participating in early discussions with government officials several years ago. My support has strengthened since the SFC opened in Prince Albert, under the competent direction of Robin Woodward. I continue to be involved through my membership on the Technical Advisory Committee of the SFC and am a Director of GeoSpatial Timberline, partner and tenant within the SFC.

I was concerned to hear of the Government's possible response to the questions that have arisen recently regarding the Centre. I truly hope that the Government continues to see the potential for the Centre as the key infrastructure facilitating sustainable forestry development in northern Saskatchewan. Your Province has a tremendous untapped potential for sustainable forestry development, unmatched elsewhere in Canada today. The key ingredient to developing your forest sector is a stable and business-friendly policy environment where long-term private-sector investments can be made with the confidence that the Government has the will and wisdom to make good policy decisions and stick by them. Back-tracking on the high-profile SFC initiative would forfeit the significant accomplishments of the Centre as well as send a terrible message of political instability and indecision to investors.

Here are my answers to your specific questions.

Do you feel there is a need for a Forest Research Centre in Saskatchewan?
Saskatchewan continues to need several research groups focused on research programs directly driven to meet Saskatchewan's unique interests, challenges, and opportunities. Broad examples of areas needing attention are traditional forest products development and marketing (lumber, pulp, paper, panels, etc.), non-traditional forest products development and marketing (mushrooms, fruit, fur, botanicals, etc.), mixedwood silviculture, stand growth and yield, agroforestry, ecosystem management, and forest fire behavior and control. None of these areas are wholly specific to Saskatchewan, but Saskatchewan's forests and people do not have the same research priorities of other areas such as Alberta and Ontario. Other Provinces continue to focus their research activities according to their own priorities. Saskatchewan's forest values are sufficiently unique and important that research problems need not be exported. There are now enough forestry-related research dollars available in Saskatchewan to support research talent being retained locally here, in Saskatchewan's own forestry research centres. The SFC is emerging as Saskatchewan's key forestry research centre, within a much broader range of

Suite 315, 10357 – 109th St., Edmonton, Alberta T5J 1N3 ' Tel: (780) 425-8826 ' Fax: (780) 428-6782 ' Website: www.timberline.ca

activities related to technology development, knowledge management, and technology transfer. This is highly complementary to the established forestry research and teaching competency that exists in Saskatoon and elsewhere in Saskatchewan.

If so, do you feel Prince Albert is the most logical place for it?
Absolutely, Prince Albert has always been the central forestry focus for Saskatchewan. Other communities such as Meadow Lake and La Ronge have large forestry bases as well, but are not nearly as well serviced nor as close to the appropriate government offices as Prince Albert. Forestry is a daily fact of life in Prince Albert, unlike either Saskatoon or Regina, so these southern centres are also less appropriate than Prince Albert.

Do you agree there is a need for a new Centre as announced last year, or do you think research needs can be adequately met through the existing facilities?
I don't view the SFC as being primarily a research facility. It is a central location for a network of partners to co-locate for mutual benefit, with sustainable forestry development in Saskatchewan as the unifying theme. We chose to locate the office of our subsidiary company (GeoSpatial Timberline) within the SFC because we see great business value in co-locating with others of similar interests. I'm sure Forintek, Feric, Paprican, and CFS feel the same way. All these organizations have mandates larger than research, and we all believe our values are better attained through co-location. The new facility will greatly assist all partners in meeting the SFC's research and other goals.

Have your views changed since the new Centre was announced last year, and if so why?
Some of my original optimism about the Centre has worn off due to the slower pace of forestry development in Saskatchewan than we were expecting. However, this is largely due to depressed forestry markets and it may not have much to do with slow movement by the Government in pushing forward with sustainable forestry. We have some concerns currently that a period of indecision may occur due to an election call, and are taking steps to re-deploy our consulting staff elsewhere if some planned projects do not start immediately as a result. Otherwise, we remain fully supportive of the SFC, both in concept and in terms of a dedicated facility in Prince Albert.

Thank you for the opportunity to provide comments. Call me directly if you have any questions.

Sincerely,

Doug Walker, RPF
Chief Operating Officer

City of Prince Albert

1084 Central Avenue

Prince Albert, Saskatchewan S6V 7P3

Phone: (306) 953-4305
Fax: (306) 953-4313

File #:

May 12, 2003

Saskatchewan Industry and Resources
11th Floor - 2103 – 11th Avenue
Regina SK S4P 3V7

Attention: Larry Spannier
Deputy Minister

Dear Mr. Spannier:

RE: Saskatchewan Forest Centre

As you are aware, a special meeting of the Council of The City of Prince Albert was convened this morning to consider a Resolution supporting the construction of the Saskatchewan Forest Centre in Downtown Prince Albert.

At that time, City Council also considered a presentation from representatives of Business and Community Leaders in Prince Albert and area. This large, diverse group of citizens has voiced overwhelming support for this Project. Following the presentation, City Council approved a Resolution wholeheartedly supporting the Saskatchewan Forest Centre in Downtown Prince Albert. A certified copy of that Resolution is attached.

As you can see, the Resolution states that The City of Prince Albert is fully supportive of growing an environmentally sustainable Forest Industry, as well as, revitalizing the Downtown core of our great Community. City Council believes those two objectives can be complementary in this Project and therefore reaffirms its complete and unconditional support of the Forest Centre.

On behalf of Mayor Cody and members of City Council, I respectfully request that this Resolution be forwarded to The Honourable Eric Cline, Minister of Industry and Resources, along with your heartfelt recommendation that the Saskatchewan Forest Centre proceed as planned.

...../2

Please do not hesitate to contact me if you have any questions or require further information regarding the overwhelming support for this Project by members of Council, Business and Community Leaders, or the citizenry of Prince Albert.

Yours very truly,

Charmaine Code
CITY CLERK &
DIRECTOR OF LEGISLATIVE SERVICES
CC/sm

Attachments

Cc Mayor D. Cody
City Manager

CERTIFIED A TRUE FULL AND CORRECT COPY

CITY CLERK

1. Saskatchewan Forest Centre.

0419. Moved by Councillor F. Harris, Seconded by Councillor J.D. Bristowe, AND RESOLVED UNANIMOUSLY:

WHEREAS The City of Prince Albert is at the heart of the Province's Forest and Forest Industry, making the City instrumental in supporting the development of the Province's Forest Industry;

AND WHEREAS many Community initiatives have been taken to foster the Forest Industry through local Companies offering support services, research, consulting and complementary Businesses;

AND WHEREAS The City of Prince Albert in partnership with community business organizations has actively pursued forestry related business and supported the industry by hosting the first Saskatchewan Forestry Expo in 1999;

AND WHEREAS The City of Prince Albert is fully supportive of growing an environmentally sustainable Forest Industry through technology transfer and development of forestry knowledge, as well as working with Senior governments, forestry associations, business, first nations and aboriginal groups across the Country in the areas of agriforestry, value added development, and fire and forestry ecology through the Saskatchewan Forest Centre of Excellence;

AND WHEREAS City Council and the Citizens of Prince Albert have worked diligently to encourage and promote economic development throughout our Community with successes including the E.A. Rawlinson Centre for the Arts, several significant retail expansions and developments, and a new Provincial Court House;

AND WHEREAS City Council and the Business Community have worked tirelessly at revitalizing the Downtown Core of our Community and consider the Forest Centre well suited and well placed in that Revitalization Plan;

.... 2

THEREFORE be it resolved that the Council of The City of Prince Albert in open meeting assembled reaffirms its complete and unconditional support for the construction of the Saskatchewan Forest Centre, with that facility to be located in Downtown Prince Albert.

Councillor L. Atkinson, having participated in discussion of this matter, declared a pecuniary interest and abstained from voting on the Motion.

RECORDED VOTE:

YES
Councillor D. Gervais
Councillor P. West
Councillor J. Stiglitz
Councillor F. Harris
Councillor A. Lindberg
Councillor D. Nowoselsky
Councillor J.D. Bristowe
Mayor D. Cody

THE CITY OF PRINCE ALBERT
COUNCIL – MAY 12TH, 2003

REDA
PRINCE ALBERT

Prince Albert Regional Economic Development Authority Inc.

P.O. Box 218
Prince Albert, SK
S6V 5R5

Telephone:
306-764-6670

Facsimile:
306-764-6672

May 9, 2003

Larry Spannier
Industry and Resources
11th Floor
2103-11th Avenue
Regina, SK S4P 3V7

Dear Mr. Spannier:

Re: Forestry Center

On Monday, May 5, 2003 the board that represents the RM's, towns and cities in our region met and overwhelming acknowledged their support for the forestry center in downtown Prince Albert. Our membership is excited because they realize that this is just the first phase in the economic boom that forestry will have in the next five years. They feel that we have an opportunity to see some of the economic spin off in the region around Prince Albert.

The REDA board continues to try and attract value added forestry development in our region and some of these projects will be located in the RM's. Our concern with any delay in the construction of the forestry center will give a negative signal to the private investors that are looking at our area to set up their operations. The board believes with the forestry center located in Prince Albert that the city will become the hub for the forestry industry in northern Saskatchewan. The REDA board also recognizes that the forestry center complex in Prince Albert belongs not only to Prince Albert. It will be the anchor for the northern region to attract private investment.

In closing the REDA board strongly supports the construction of the forestry center in downtown Prince Albert. I have attached our membership list so you can see the mix of our board.

Yours truly,

Greg Dionne, Chairman
REDA

TOWN OF CARROT RIVER

Larry Spannier, Deputy Minister
Saskatchewan Industry and Resources
2103 11th Avenue
Regina SK S4P 3V7

Facsimile: 787 2159

Dear Sir: **RE: Your letter dated May 08/03**

I believe that Prince Albert is the most logical location for a Forest Research Center in Saskatchewan.

However, I also think that this project should proceed only when all key stakeholders, like Weyerhaeuser and others, agree that the timing is right to go ahead.

Thank you for the opportunity to comment.

Yours truly,

Jim Doherty
Mayor

Box 147 · Carrot River SK · S0E 0L0 · Telephone (306) 768-2515 · Fax (306) 768-2950 · www.town.carrotriver.sk.ca · Email: tcarrotriver@sk.sympatico.ca

HOME OF THE NIPAWIN PIKE FESTIVAL
THE AUTOSPLIT
THE SASK. PREMIER'S WALLEYE CUP
VANITY CUP PEACE 100

TOWN OF
NIPAWIN
SASKATCHEWAN

Box 2131, S0E 1T0
Phone (306) 862-9866
Fax (306) 862-3076
e-mail: townoffice@nipawin.com
website: www.nipawin.com

May 14, 2003

Saskatchewan Industry & Resources
11th Floor, 2103 – 11th Avenue,
REGINA, SK S4P 3V7

ATTENTION: LARRY SPANNIER, DEPUTY MINISTER

Dear Sir:

This is to acknowledge your letter dated May 8, 2003 regarding the proposed Saskatchewan Forest Centre facility to be constructed in Prince Albert.

1. The Town of Nipawin is supportive of the need for a Forest Research Centre in Saskatchewan.

2. If a project proceeds it makes good sense in our opinion to be located in Prince Albert, which is the closest major urban centre adjacent to our forests.

3. We believe the forest industry to be a major industry for the Province of Saskatchewan and a new Centre could greatly enhance the services provided by the industry.

4. We have not changed our opinions on this matter.

As you may be aware, the Town of Nipawin and our Economic Development Committee are presently quite involved in developing a biomass ethanol process. This process will depend largely on use of forest waste products as a source for ethanol production. We see the development of the Forest Centre facility in Prince Albert to be a benefit to our community and to other centres in Northeast Saskatchewan.

Yours truly,

Glen Day,
Mayor,
Town of Nipawin.

PMC:jjc
Sask. Industry-forest centre

Rural Municipality of Buckland No. 491
99 River Street East, Prince Albert, Saskatchewan S6V 0A1
rm491@sk.sympatico.ca

Wendy Gowda
Administrator
Phone: 763-2585
Fax: 763-6366
Barbette Beckman
Assistant

May 12, 2003

Saskatchewan Industry and Resources
11th Floor
2103-11th Avenue
Regina, Sask.
S4P 3V7
Attention: Honorable Eric Cline

DEPUTY MINISTER'S OFFICE
MAY 14 2003
@ 3:15p.m.
Sask. Industry and Resources

Dear Mr. Cline:

Re: Saskatchewan Forest Centre

Please be advised the following resolution was approved at the May 7th meeting of the Council of the Rural Municipality of Buckland No. 491:

> *That correspondence be forwarded to Minister Eric Cline indicating the R.M. of Buckland support for development of the Saskatchewan Forest Centre in the downtown Prince Albert area.*

Since the date of the resolution, the municipality has been invited to forward comments to Deputy Minister Larry Spannier, which will be following in due course.

Yours truly,

Wendy Gowda, RMA
R.M. of Buckland No. 491

Cc City of Prince Albert, Mayor Don Cody

Saskatchewan
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